



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

S/001/057
0002

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

September 18, 2003

David Penney
Penney's Gemstones
2400 East 30 South
Box 312
Beaver, Utah 84713

Subject: Termination of Suspension and Operator Name Change, David Penney Permits,
Beaver, Box Elder, Juab, and Millard Counties, Utah

Dear Mr. Penney:

On September 8, 2003, the Division notified you that your mining operations were placed in suspension for failure to pay the required permit fees for year 2003. We have since received your permit fees; therefore, your mines are no longer in suspension, and you may continue with your operations as outlined. In order to avoid this from happening in the future, payment of the fee by the due date would be appreciated.

You also requested that we change the mine operator name from David Penney to Penney's Gemstones, LLC or Earth's Partners, LLC for your 10 small mine sites and one exploration site. In checking with the Division of Corporations, your business licenses do not include the acronym of LLC; it only shows Penney's Gemstones and Earth's Partners. At this time, we will make the name change to Penney's Gemstones or Earth's Partners, but will not include the acronym of LLC. If our legal counsel determines that a permit transfer be completed to make this change legal, we will advise you of this at a later date. Unless you hear differently from us in this regard, be assured that the operator name has been changed.

If you have any questions, regarding this letter, please contact me or Tom Munson at (801) 538-5382 or 538-5321 respectively. Thank you for keeping your mine permit in good standing.

Sincerely,

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program
Utah Division of Oil, Gas and Mining

jb

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Utah!
Where ideas connect

0002



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801-538-7223 (TDD)

9/8/03

PENNEY, DAVID L.
BOX 312
BEAVER UT 84713-0312

ATTENTION: DAVID PENNEY

DELINQUENCY NOTICE

Annual Permit Fees (July 2003 thru June 2004)

PROJECT NAME	PROJECT ID	ACRES	BILLING DATE
SLIVER 3-4	S010057	NA	06/27/2003
PERMIT TYPE	PROJECT STATUS	ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	ACTIVE	\$ 150	

DUE DATE	AMOUNT DUE
10/08/2003	\$ 150

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME	PROJECT ID
PENNEY, DAVID L.	SLIVER 3-4	S010057
DUE DATE	ANNUAL FEE	AMOUNT DUE
10/08/2003	\$ 150	\$ 150
TAX ID OR SOCIAL SECURITY #		
<input type="checkbox"/> FEE NOT ENCLOSED		
Permittee requests an inspection to close out this permit.		
Change of Address		
Contact		
Address		
E-mail address		
State		Zip
Phone		

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY UT 84114-5801

Please make check payable to:
Division of Oil, Gas and Mining



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September 8, 2003

Subject: **Second Notice - Delinquent Permit Fees, Further Mining is Suspended, Minerals Regulatory Program**

Dear Permittee:

*Our records indicate that we have not received your annual permit fee payment(s) for the 2003 fiscal year, which was due July 25, 2003. Your fee is now over 30 days past due. Non-payment of permit fees suspends an operator's authorization to conduct exploration or mining operations until the permit fees have been received by this office. THEREFORE, **YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS HEREBY SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED.***

Exploration or mining operations may resume upon our receipt of the required fees. Please return the enclosed "Delinquency Notice" with your payment to insure the money is posted to the correct account. *If you have already sent in your payment, please accept our thanks and disregard this notice.*

As you are aware, if you have reclaimed the project site and no longer wish to keep your permit active, you may check the box on the enclosed billing notice requesting a Division site inspection. This will suspend your fee payment until we can perform a site inspection. If our inspection shows that the site is stabilized and meets the 70% pre-mining revegetation success standard, then the project can be released and the case file closed. If the site is not satisfactorily reclaimed, you will be notified accordingly and the annual fee must be received within 30 days of the inspection date.

The annual permit fee(s) must be submitted to keep your permit in effect. An operator's failure to pay the required annual permit fee within 30 days of the due date, requires us to forward all delinquent billings to the Utah Office of Debt Collection. Late penalties and interest charges are subsequently assessed to the unpaid balance. This action may also result in permit revocation (cancellation) proceedings before the Board of Oil, Gas and Mining. *Cancellation of your permit will not release you from any outstanding reclamation requirements on the project area.*

Page 2 of 2
Second Notice
2003-2004 Permit Fees
September 8, 2003

We hope to avoid taking any enforcement action regarding the fee payments. Please choose one of the following options: 1) submit your payment within 30 days; 2) check the box, if **the site is reclaimed**, requesting a site inspection; or 3) contact us immediately to explain the extenuating circumstances for non-payment.

If you have any questions regarding this letter, please contact me at (801) 538-5286 or Joelle Burns at 538-5291. Thank you for your immediate attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg".

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program
Division of Oil, Gas and Mining